

"2005 was just a start, but a great start." - Gov. Mitch Daniels

59 legislative initiatives passed
5 partially passed
10 did not pass

IEDC closed 142 deals to bring commitments for 18,500 new jobs to Indiana - more deals than 2003 & 2004 combined.

Gov. Daniels signed the state's first honestly balanced budget in ten years.

Indiana Tax Amnesty produced well over \$250 million—four times the predicted amount.

The Inspector General is rooting out fraud, corruption, and theft in state government.

Reforming government to improve efficiency has already saved over \$200 million for taxpayers.



Governor signs a child's shirt in his office.



Gov. Daniels visited 84 of Indiana's 92 Counties and conducted more than two dozen town hall meetings with Hoosiers in 2005. He also continued his practice of staying overnight in Hoosier homes, instead of hotels, while traveling.



Governor Mitch Daniels

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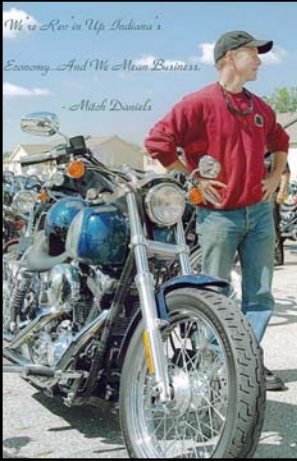
Governor Mitch Daniels

2006 Legislative Agenda



Indiana's Comeback Continues

Major Moves



Major Moves is a comprehensive 10-year investment plan in Indiana's infrastructure to improve the economy and create job opportunities for Hoosiers.

Major Moves eliminates the state's transportation budget deficit and invests in the state's future through public-private partnerships to complete over 200 vital transportation projects.

Major Moves completes:

- Hoosier Heartland Highway
- Two new Ohio River bridges
- A high speed US 31
- Modernizing the Indiana Toll Road
- Accelerating construction of I-69
- 200+ other transportation projects that would otherwise not be built

Major Moves would create an estimated 130,000 jobs for Hoosiers or more.

Major Moves eliminates Indiana's \$2.8B transportation budget gap. Today the State has \$2 of transportation needs for every \$1 of funds.

Major Moves invests in Indiana's infrastructure without raising taxes.

Without Major Moves, many promised transportation projects will not be built.

More \$\$ to the Classroom

Indiana continues to make a strong financial commitment to K-12 Schools.

Hoosiers spend 14% more of their income on our K-12 schools than the US average.

K-12 spending was one of only four areas to see an increase in the 2005-06 state budget.

The problem is where the money goes.

School construction projects in 2003-2004 cost Indiana taxpayers 146% of the US average. Debt service on school construction is now 10% of property tax bills, three times the national average.

Only 61% of school operating budgets go toward instruction and learning.

Indiana ranks 50th in the percent of our K-12 employees who are teachers.

The solution is to increase the percent of funds spent on instruction and learning.

Every 1% moved from overhead to instructional spending would free up \$100 million for student learning.

Every 1% shift could hire 1,500 new teachers, reduce class size, or improve classroom technology.



Local Government Modernization

Local units of government should have the ability to restructure and organize in a manner which brings greater efficiency to taxpayers.

Local government spending has grown two times the rate of inflation and assessed value.

Local governments in Indiana rely much more heavily on property taxes to cover the cost of their spending than the national average.

Gov. Daniels believes local government modernization is the key to reducing property taxes.

Local government should follow the state lead in controlling spending.

Costs of the Child Welfare Levy should be gradually removed from property tax levies and paid by the State.

Local governments should have the flexibility to find new revenue sources to offset property taxes, and to reshape themselves for greater efficiency.

Other Initiatives

Expand EDGE credit for job retention.

Provide payroll and retirement protection for state employees whose jobs were displaced by reform.

Allow companies to offer discounts to Hoosiers who choose to live tobacco-free.

Create single statewide sex offender registry .

Create state child support disbursement unit to improve collections of money owed to single parents.